

Message Text

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ACTION EUR-25

INFO OCT-01 AF-10 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03

OMB-01 DRC-01 /203 W

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R 181905Z OCT 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4929

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ADDIS ABABA

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DAKAR

AMEMBASSY DAR ES SALAAM

AMEMBASSY DUBLIN

AMEMBASSY LAGOS

AMEMBASSY LUXEMBOURG

AMEMBASSY NIAMEY

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 12159

E.O. 11652: XGDS-1

TAGS: ETRD, EEC, UK, US, XA

SUBJECT: EC ASSOCIATION NEGOTIATIONS - BRITISH VIEWS ON
THE RECIPROCITY ISSUE

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REF: (A) EC BRUSSELS 5929; (B) EC BRUSSELS 4305

BEGIN SUMMARY. AFTER THE EC COUNCIL FAILED TO AGREE ON THE QUESTION OF RECIPROCITY AT ITS OCTOBER 15 MEETING (REF A), THE BRITISH EXPECT THAT THIS ISSUE WILL NOW BE SET ASIDE AND WILL NOT BE REVIEWED IN DEPTH BY THE COUNCIL UNTIL SOMETIME NEXT YEAR. THE NINE HAVE REACHED AT LEAST GENERAL AGREEMENT ON ENOUGH OTHER ISSUES TO ENABLE THE COMMISSION TO PROCEED WITH THE NEGOTIATIONS WITH THE ASSOCIATED AND ASSOCIABLE STATES. THE UK IS STILL FIRMLY OPPOSED TO INCLUDING RECIPROCAL TRADE CONCESSIONS BY THE LDCS IN THE AGREEMENT THAT WILL SUPPLANT THE YAOUNDE CONVENTION. THE UK'S ABILITY TO HOLD TO THIS POSITION IN COMING MONTHS WILL DEPEND IN LARGE PART ON WHETHER THE AFRICAN'S PRESENT UNITED FRONT AGAINST RECIPROCITY IS MAINTAINED. END SUMMARY.

1. WE REVIEWED THE RESULTS OF THE OCTOBER 15 MEETING OF THE EC COUNCIL WITH GILES FITZHERBERT, ASSISTANT HEAD OF THE EXTERNAL AFFAIRS SECTION OF THE EUROPEAN INTEGRATION DEPARTMENT OF THE FCO.

2. FITZHERBERT SAID THAT THE NINE'S FAILURE TO AGREE ON RECIPROCITY AT THE OCTOBER 15 COUNCIL MEETING WAS NOT SURPRISING. DESPITE THE STRONG AND UNANIMOUS OPPOSITION TO RECIPROCITY THAT WAS EXPRESSED BY THE DEVELOPING COUNTRIES AT THE PRE-NEGOTIATION CONFERENCE ON JULY 25-26 (REF B), THE FRENCH HAVE CONTINUED TO PRESS AS HARD AS EVER FOR A TWO-WAY FREE TRADE AREA. BRITISH OFFICIALS ARE ENCOURAGED BY THE FACT THAT THE OAU COUNTRIES STUCK TO THEIR POSITION ON RECIPROCITY AT THEIR MEETING IN DAR ES SALAAM EARLY IN OCTOBER. THE BRITISH ASSUME THAT THE PRESSURE WHICH FRANCE IS APPLYING ON SOME OF THE YAOUNDE ASSOCIATES IS BEING COUNTERACTED BY THE EFFORT OF NIGERIA AND OTHERS TO MAINTAIN A UNITED FRONT ON THIS ISSUE.

3. DURING THE OCTOBER 15 COUNCIL MEETING, FITZHERBERT SAID, FRANCE (DENIAU) CLAIMED THAT THERE ARE INDICATIONS THAT THE REAL POSITION OF SOME AFRICAN STATES ON CONFIDENTIAL

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RECIPROCITY IS DIFFERENT FROM THE ONE STATED AT THE PRE-NEGOTIATION CONFERENCE. THE UK REPLIED THAT THE COMMUNITY COULD ONLY PROCEED ON THE BASIS OF PUBLICLY STATED POSITIONS, NOT CORRIDOR CONVERSATIONS. THE DUTCH, GERMANS AND DANES JOINED THE UK IN SPEAKING OUT STRONGLY AGAINST RECIPROCITY, ACCORDING TO FITZHERBERT. FRANCE WAS THE ONLY MEMBER STATE CLEARLY IN FAVOR. THE COMMISSION APPEARS TO WAVERING. THE OTHER MEMBER STATES

(INCLUDING ITALY AND BELGIUM) SEEMED UNINTERESTED IN THIS ISSUE.

4. FITZHERBERT EXPECTS THAT THE COUNCIL WILL NOW SHELVE THE RECIPROCITY ISSUE UNTIL SOMETIME NEXT YEAR. BRITAIN'S ABILITY TO MAINTAIN ITS STAND ON RECIPROCITY WILL DEPEND TO A LARGE EXTENT ON THE AFRICAN POSITION ON THIS ISSUE. FITZHERBERT SAID THAT THE FCO IS OPTIMISTIC THAT THE LDCS WILL MAINTAIN THEIR UNITED FRONT. AN OFFICIAL IN DTI WHO WORKS ON THESE NEGOTIATIONS WAS LESS SANGUINE. HE CONSIDERS THAT THE DELAY IN RESOLVING THIS ISSUE WILL WORK IN FAVOR OF THE FRENCH, SINCE IT WILL GIVE THEM TIME TO CHIP AWAY AT THE UNITED FRONT UNTIL IT CRUMBLES.

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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 12159

5. MEANWHILE, HOWEVER, THE COMMISSION CAN PROCEED WITH THE NEGOTIATIONS. AMONG THE SUBJECTS IT CAN DISCUSS WITH THE ASSOCIATES AND ASSOCIABLES, ACCORDING TO CONFIDENTIAL

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FITZHERBERT, ARE THE DETAILS OF THE REGIME THAT WILL APPLY TO IMPORTS FROM THE LDCS INTO THE COMMUNITY, RULES OR ORIGIN, AND THE ADMINISTRATION OF FINANCIAL AND TECHNICAL ASSISTANCE (ALTHOUGH NOT THE SIZE OF THE NEW EUROPEAN DEVELOPMENT FUND).

6. THE COMMISSION WILL ASK THE LDCS FOR THEIR VIEWS ON ITS PROPOSALS CONCERNING A MECHANISM FOR THE STABILIZATION OF LDC EXPORT EARNINGS. FITZHERBERT CONFIRMED THAT THERE IS A GENERAL CONSENSUS AMONG THE NINE THAT A MECHANISM OF SOME SORT SHOULD BE INCLUDED IN THE NEW AGREEMENT. THERE HAS NOT YET BEEN ENOUGH TIME FOR THE MEMBER STATES TO WORK OUT THE DETAILS. THE UK SUPPORTS THE IDEA OF SUCH A MECHANISM SOMEWHAT RELUCTANTLY. SINCE THE BRITISH WANT TO HAVE AN INTERNATIONAL ARRANGEMENT ON SUGAR, THEY BELIEVE THAT THEY CANNOT VERY WELL OPPOSE SIMILAR ARRANGEMENTS FOR OTHER PRIMARY PRODUCTS. THE BRITISH DO NOT WANT THE MECHANISM TO WORK TOO AUTOMATICALLY, HOWEVER. THERE SHOULD BE CEILINGS, AND SOME ROOM FOR DISCRETION IN THE GRANTING OF ASSISTANCE.

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